



COUNCILLORS' ALLOWANCES

**Annual Report of the
Birmingham
Independent Remuneration Panel
2021 – 2022**

APRIL 2022

ANNUAL REPORT OF THE INDEPENDENT REMUNERATION PANEL

2021-2022

BIRMINGHAM CITY COUNCIL

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FOREWORD

The Panel's report for 2022 coincides with the fourth year of new governance arrangements. Back in 2018, after several years of no increases to the Basic Allowance, the Panel sought to re-establish the link to the Annual Survey of Household Earnings (ASHE) as the comparator, and to 'catch up' over the four year term of office. This has been achieved.

The Panel has also been able to respond positively to requests to consider remunerating the Chief Whip role. Verbal and written evidence was submitted to make the case that this is a key role in respect to ensuring that Members comply with their statutory obligations to disclose interests and based on the scale, pace and complexity of the political and governance issues that arise at the Council. The Panel is also recommending that the Parental Leave Policy for Councillors is strengthened, and it will be kept under review to ensure that it remains fit for purpose.

I would like to thank all those Councillors and officers who gave evidence for their valuable contributions; and Ingrid Whyte, Business Support Manager, Governance, for her help in producing this report, and Daniel King, Graduate Management Trainee, for his invaluable support.

Rose Poulter, Chair – Independent Remuneration Panel

April 2022

RECOMMENDATIONS

1. The Basic Allowance (BA) increases to £18,876.00 p.a. (as set out in appendix1).
2. The Special Responsibility Allowances (SRAs) remain unchanged (as set out in appendix1).
3. A new Special Responsibility Allowance payable to the Chief Whip of each qualifying group, of £2,829.00 p.a. (as set out in appendix 1).
4. The Panel recommends an increase of 1% on co-optee allowances (as set out in appendix 1).
5. The Independent Carers' Allowance (hourly rate) continues to be raised in line with the Living Wage, currently at £9.90 per hour, and that this allowance remains linked to the Living Wage in future years.
6. The Professional Care Allowance (hourly rate) continues to be raised in line with the Council's rate for a Care Assistant (Grade 2 post) taking in the mid-range spinal point, currently at £10.32 (at time of writing).
7. Travel expenses and Subsistence Allowances continue to reflect the Council's Scheme for officers.
8. The Parental Leave Policy be amended to allow Councillors on maternity leave entitlement to the full Special Responsibility Allowance (SRA) for six months, with a possible extension for a further six months to be agreed by Council Business Management Committee.
9. The Panel recommends that the Councillors Induction Programme includes clear guidance on the role/interaction of Councillors on outside bodies.
10. That the Panel is asked to keep under review the outcome of the WMCA-IRP review of the Elected Mayor's Allowance and associated matters
11. The 2022/23 Work Programme detailed is approved.

MEMBERS' ALLOWANCES

1. Background

The City Council has an Independent Remuneration Panel which is made up of people independent from the Council. The City Council may only pay allowances and expenses after first considering a report from its Independent Remuneration Panel. It is for the Council to decide on the Members' Allowances Scheme that is put in place, having regard to the Panel's recommendations.

The Panel is well-established, having been formed by the City Council at its meeting on 3 July 2001. It has made a number of recommendations to the City Council over the years on Members' Allowances and Expenses. In 2012/13 it carried out a "root and branch" review of allowances and, in recent years, has also made reports to the New Frankley in Birmingham Parish Council and the Royal Sutton Coldfield Town Council.

The Panel also sits as the Independent Remuneration Panel for New Frankley in Birmingham Parish Council and the Royal Sutton Coldfield Town Council.

Due to unfortunate circumstances throughout this review, the Panel at the time of writing this report, reduced from 8 to 5 members, 3 which are citizen representatives, one appointed and one co-opted non-voting member drawn from former Councillors of the City Council.

2. 2021/22 Annual Report

This report is the Panel's annual report for the allowance scheme for 2022/23. The Panel met on a regular basis between October 2021 and March 2022 to consider evidence for the 2022/23 allowance scheme, and based the recommendations on fairness, from the information received.

3. Basic Allowance

As in previous years, the Panel has worked within the requirements of the Local Government Act 2000 and the accompanying Guidance and Regulations on Councillors' allowances in making its recommendations for 2022/23.

The Panel reaffirms the principles of the Birmingham Members' Allowances Scheme set out in previous reports. The key factors which the Panel considers remain:

1. The promotion of a healthy democracy by reducing financial disadvantage as a barrier to people from a wide range of backgrounds and a wide range of skills standing for election or serving as Councillors.
2. The maintenance of an ethic of voluntary public service and the need to reflect this within the Basic Allowance (BA) paid to all Councillors.
3. Councillors should not expect nor receive a full-time salary.

The Basic Allowance covers the following range of activities

- I. Representative role including acting as an advocate for the interests of the ward, dealing with constituents' enquiries or representations, active participation in the shaping and management of services devolved to a local level and attendance at meetings of local organisations.

- II. City Council and Committee work including preparation for and attendance at meetings, interview panels, appeals, visits, seminars and conferences, service on or chairing ward forums and participation on other bodies relating to the work of the City Council.
- III. Service as the representative of the City Council or its Committees on outside bodies for which no separate remuneration is made.
- IV. The time element of the Basic Allowance based on a gross commitment of no more than three days per week with a public service discount of 25%.

Our deliberations have been informed by the definition of the role of the Councillor as set out in the Constitution and we have given this due regard in adopting it as a framework, while retaining the above.

4. Setting the 2022/2023 Basic Allowance

As in previous years, and before coming to a conclusion for the 2022/23 year, the Panel invited evidence from several sources. Because of the restrictions imposed as a result of the Covid19 pandemic, the Panel were once again, unfortunately unable to meet with Councillors face to face, or to hold a “drop in” session as in previous years. However, an invitation was sent to all Councillors to meet with the Panel using Microsoft Teams and nine took up the invitation, including the Leader and Deputy Leader of the Council, also three officers. The Panel also reviewed allowances paid by other local authorities including other core city allowances. The evidence received confirmed the Panel's approach to remuneration.

In 2019, after several years of no increase to either the BA or SRA, the Panel set out its rationale for recommending an increase in the Basic Allowance (BA) to re-establish the link to the comparator (Annual Survey of Hours and Earnings – ASHE) agreed as part of the “root and branch” review of 2013. proposed that the ASHE (Annual Survey of Hours and Earnings), place of work by local authority area (Birmingham) for a full time male, is used to set the basic allowance. To move straight to the ASHE 2018 figure would have resulted in a 10% rise on the 2017/18 basic allowance. The Panel's intention therefore was to bring the basic allowance back to parity with ASHE over the remaining years of this four-year electoral term (2018 – 2022). This was achieved in 2021/22.

In applying this formula for 2022-23 the Basic Allowance is increased by 1% - £18,681.00 to £18,876.00. This is in line with the ASHE comparator for October 2021.

Therefore, the Panel recommends:

That for the next municipal year (May 2022 to May 2023) the basic allowance increases to £18,876 (as set out in appendix 1).

Table 1: Basic Allowance and ASHE

	CURRENT RATE	ASHE 2021 Proposed Rate	
<i>Gross min. time (3 days x 52 weeks)</i>	156.00	156.00	days p.a.
<i>x Baseline per day</i>	<u>153.56</u>	<u>155.22</u>	
<i>Gross Rate</i>	23,955.36	24,214.32	
<i>Less public service discount 25%</i>	5,988.84	6,053.58	
TIME ELEMENT	17,966.52	18,160.74	
<i>ADDITIONAL EXPENSES ELEMENT</i>	<u>715.00</u>	<u>715.00</u>	
BASIC ALLOWANCE	18,681.00	18,876.00	<i>Rounded</i>

5. Special Responsibility Allowances (SRA)

In April 2015, the City Council accepted the Panel's recommended new approach for calculating Special Responsibility Allowances. The Panel recognised that the Leader's role takes the most responsibility assessed at 100% and all the other roles are then taken as a relative percentage of the Leader's role (see Table 2).

The City Council also accepted the Panel's recommendation that "the ASHE 2013 for all Industries and Services Male Full Time (top 10%) table 4.1a for the United Kingdom would be the most appropriate comparator to be used for the Leader's role in order to reflect the transferable skills of the role".

The ASHE 2021 rate decreased slightly, however if applied, this would result in a decrease from £56,579.00 (4% increase on the previous year) to £55,877.00 p.a. for the Leader's Special Responsibility Allowance.

With the current SRA rate paid exceeding the ASHE 2021 rate, the Panel recommends:

That for the next municipal year (May 2022 to May 2023) the Leader's special responsibility allowance should remain unchanged at £56,579 p.a. (as set out in appendix 1).

6. Co-optees' Allowances

The Panel took no new evidence on co-optee allowances and was of the view that a 1% rise would be reasonable, in line with the Basic Allowance.

The Panel recommends an increase of 1% on co-optee allowances (as set out in Appendix 1)

7. Carers' Allowances

In 2012, the City Council agreed to adopt the Living Wage for all its employees, and subsequently extended this to externally contracted care sector workers from October 2014.

In 2015, the Panel recommended that the Independent Carers' Allowance adopt the change from the National Minimum Wage to the Living Wage, currently at £9.90 per hour.

The Panel therefore recommends that this continues for 2022/23 and that this continues to track the Living Wage in line with the Council.

The professional care allowance (hourly rate) continues to be based on the Council's rate for a Care Assistant, Grade 2 post, mid-range spinal point at £10.32 per hour (at time of writing).

Therefore, the Panel recommends:

That for the next municipal year (May 2022 to May 2023) the

- I. Independent Carers' allowance increases to £9.90 per hour.
- II. The professional care allowance increases to £10.32 per hour.

8. Travel expenses and Subsistence Allowances

The Panel took no new evidence on travel or subsistence expenses and recommends that these continue to reflect the Council's Scheme for officers.

The Panel emphasised the need to ensure that the list of approved duties for which such expenses can be claimed is kept up to date and in accordance with all relevant legislation.

Therefore, the Panel recommends:

Travel expenses and Subsistence Allowances continue to reflect the Council's Scheme for officers.

9. Work Programme 2021/22

As agreed by the City Council, the Panel also considered the following matters as part of the 2021-2022 review:

CHIEF WHIPS (SRA)

Following on from the 2020/21 work programme, the Panel in its 2021/22 again reviewed the role of the Chief Whips of each qualifying group. Evidence was received (in person and by the submission of a briefing note) detailing how the role of the Chief Whip had evolved over the past 4 years and especially in the last 2 years with the plan for the role to expand even further. The City Solicitor was also consulted by the Panel.

The Panel understands that the Group Whips have become key to the successful and smooth running of Statutory Meetings of the Council, ensuring that Members comply with their Statutory

obligations to disclose interests and based on the scale, pace and complexity of the Political and Governance issues that arise at the Council. The role has also adopted a supportive role to other Members.

The Panel took all the evidence into consideration and agreed that the Chief Whip's role had evolved and a new SRA at 5% of the Leader's SRA, should be paid to the Chief Whips. With the role being kept under review.

Therefore, the Panel recommends:

That for the next municipal year (May 2022 to May 2023), a new SRA of £2,829.00, p.a. to be awarded to the role of Chief Whip (as set out in appendix 1).

PARENTAL LEAVE

The Panel had been asked to keep the parental leave policy under review. The policy was introduced by the City Council following a recommendation from this Panel in 2018. As part of that review, the Panel received legal advice obtained by the City Solicitor that confirmed that there is legal justification for the Council's approach in having such a policy, and that another Councillor can receive an SRA whilst the incumbent is on parental leave. However, in respect of SRAs, there was also legal justification for stating that the payments should be in full, rather than on a percentage basis as is currently the case.

This latter point reflected evidence received from Councillors, one of whom pointed out that the current policy unintentionally created a loophole where a woman who takes six months off for having a baby gets paid less than a man or woman who takes six months off for being sick.

The Panel therefore recommends that the Parental Policy be amended to state that Councillors on maternity leave would be entitled to the full SRA for six months, with a possible extension for a further six months to be agreed by Council Business Management Committee.

FRANKLEY PARISH COUNCIL

The Parish Council advised the Panel that a review of the allowances was not required, this municipal year (21/22).

OUTSIDE BODIES

The Panel undertook to clarify the role Councillors play on outside bodies and the impact, if any, on allowances. The Panel has concluded that there has been no change to the role of councillors in respect to outside bodies, in that there is an expectation that all councillors should work with and/or represent the City Council on outside bodies. The Panel notes that a small number of Councillors appear to be unclear as to their role/interaction with outside bodies. The Panel therefore suggests that councillor role/interaction with outside bodies is explicitly addressed in the Councillors Induction Programme.

The Panel recommends that the Councillors Induction Programme includes clear guidance on the role/interaction of Councillors on outside bodies.

10. Other Issues Raised

During the Panel's discussions with Councillors, several issues were raised that fall outside the remit of the Panel but that the Panel nevertheless wishes to bring to the attention of the Council and others: -

- All councillors should ensure they attend the Induction Training. New councillors need to be fully briefed on their role and statutory duties. Re-elected councillors are strongly encouraged to take refresher training and all councillors are strongly advised to attend courses to keep their skills and knowledge up to date.
- The lack of a pension for Councillors continues to be a concern and is seen as a deterrent to becoming a Councillor.
- In some instances, it has been a struggle to recruit candidates for the next election. The level of remuneration, workload and challenging working hours have been cited as reasons.
- The Basic Allowance is a precarious form of income, when a Councillor loses his/her seat, the allowance is cut off immediately, there is no time for arrangements for getting another job.
- It is equally vulnerable as a councillor who has an SRA position.
- there is no career progression except within the party mechanism.
- The average age of councillors in the UK is 59.
- There are people coming into the council in their 20s, and people retiring, but there is a missing cohort of people in the middle with families, who need to be bringing in salaries.
- The council is losing some good people because they've had to make a choice between having a family or professional career and being a councillor. It's probably always going to be the case of people starting in 20s and early 30s, then stopping to bring up families/develop their careers, then coming back into it during retirement.

11. Work Programme in 2022/23

The Panel expects the Work Programmed for 2022/23 will include the following:

- A review of the level of Special Responsibility Allowances for Chief Whips and Group Secretaries roles – Subject to the availability of an outline job specification for each post agreed by all major parties.
- Parental leave will be kept under review
- Following discussions with the Leaders of the major groups, the Panel has agreed to undertake a full review of allowance paid to councillors for the 2023/24 municipal year.
- Royal Sutton Coldfield Town Council allowances review – following a request from the Town Council

- West Midlands Combined Authority – Independent Remuneration Panel (WMCA-IRP) -
The Panel is aware that the WMCA IRP has been charged with the reviewing and recommending any changes to the allowance paid to the Elected Mayor and whether the Deputy Mayor should* also receive an allowance. In addition, the WMCA-IRP has been tasked with looking at: -

Reference: This report regarding the WMCA-IRP approved on 18 March 2022 by the WMCA Board.

“B. Wider Roles and Responsibilities at Board Level

4.2 In the context of the recent Governance Review, it is recognised that greater responsibility is being placed on other Board members to carry out roles for respective portfolio areas. It is suggested that the IRP look at this issue and make any observations or recommendations to individual constituent IRPs as part of setting their allowances. It would of course be up to each individual Constituent Authority to decide if they wish to follow such observations.

C. Other Allowances in the Organisation

4.3 It is also proposed that the review of allowances be extended to examine the roles and responsibilities of other positions within the Combined Authority Governance Structure in order to make observations on whether allowances could and should be provided. Recent reviews at West of England and West Yorkshire have examined allowance issues for other positions such as Overview & Scrutiny.

4.4 In addition, at the Inaugural Meeting of the WMCA Board in June 2016 the Board was advised that because the members of the Transport Delivery Committee were co-opted members of the Committee and not members of the WMCA Board, the prohibition on the payment of allowances did not apply and the allowances formerly agreed by WMITA could continue to be paid. Page 91

4.5 The Transport Delivery Committee has continued to receive basic and special responsibility allowances that were agreed by the former West Midlands Integrated Transport Authority before the WMCA was established. The arrangement has not been reviewed since 2016. This is quite clearly an anomaly in the organisation and has led to some perceptions of unfairness.

4.6 Examination of the roles and responsibilities of other positions across the Combined Authority will provide an opportunity to examine the allowances currently paid to members of the Transport Delivery Committee. A Review of Transport Governance at Member level will also assist in deciding what to do in relation to these payments.

This will potentially have implications for Birmingham City Council, and will need to be considered in the Birmingham IRP work programme for next year

It is suggested that the Panel is asked to keep under review the outcomes of the WMCA-IRP review of the Elected Mayor's Allowance and associated matters.

Appendix 1: Proposed Members' Allowances Rates (from May 2022)

BASIC ALLOWANCE (per annum unless otherwise stated)

	£
Baseline per Day Rate	155.22
Basic Allowance	18,876.00
Time Element	18,160.74
Additional Expenses Element	715.00

SPECIAL RESPONSIBILITY ALLOWANCE (per annum unless otherwise stated)

Baseline per week (£1,280.08 discounted by 15%)	1,088.06
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STRATEGIC LEADERSHIP

Leader of the Council	56,579.00
Deputy Leader of the Council	45,263.00

STRATEGIC SHARED RESPONSIBILITY

Cabinet Member	28,289.00
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RESPONSIBILITY FOR CHAIRING KEY REGULATORY, OVERVIEW & SCRUTINY COMMITTEES

Chair of the Planning Committee	16,973.00
Chair of Licensing & Public Protection Committee	16,973.00
Leader of the Largest Qualifying Opposition Group	16,973.00
Chair of an Overview & Scrutiny Committee	14,145.00

OTHER ROLES WITH SPECIAL RESPONSIBILITY

Deputy Leader of the Largest Qualifying Group	9,618.00
Chair of the Audit Committee	5,658.00
Chair of the Trusts and Charities Committee	5,658.00
Chairs of the Licensing Sub Committees	5,658.00
Leader of Other Qualifying Opposition Groups	7,921.00
Deputy Leader of Other Qualifying Opposition Groups	3,960.00
Lead Opposition Spokesperson (Shadow Cabinet)	5,658.00
Political Group Secretaries	3,960.00
Chief Whip	2,829.00

(A Qualifying Group is one with a minimum of 6 Members)

CO-OPTEE ALLOWANCES (<i>per annum</i>)	£
Chair of the Standards Committee	1,093.00
Member of an Overview & Scrutiny Committee	909.00
Member of the Standards Committee	608.00

CARERS' ALLOWANCES

Independent care – hourly rate	9.90
Professional care with supporting documentation – hourly rate	10.32

Where applicable figures have been rounded.

TRAVEL EXPENSES AND SUBSISTENCE ALLOWANCES

Car, Motorcycle and Bicycle Allowance Rates are set in line with those paid to officers of the authority.

Subsistence Allowances are set in line with those paid to officers of the authority or the inflation factor in the council's budget.

Car Mileage Rates

First 10,000 business miles in tax year	45p per mile
Each business mile over 10,000 in tax year	25p per mile
Supplement for official passenger	5p per mile

If car mileage is claimed for travel outside the West Midlands area, the payment will be the lesser of the value of the actual mileage claimed or the peak time standard rail fare.

Motorcycle Mileage Rates *24p per mile*

Bicycle Mileage Rates *20p per mile*

Other Travel Expenses

Rail Travel (supporting receipt required)	Standard Class Fare
Taxi, Tube and Bus Fares, Car Parking, Toll Charges (Supporting receipts if possible)	Actual Cost

If a travel pass is provided by the Council the recipient must make a contribution of 40% towards the total cost met by the Council. The recipient also forgoes the right to claim for travel allowances or expenses for duties undertaken in the area covered by the pass or to make use of transport services provided directly by the Council, unless the relevant travel service is not available, or there are health and safety reasons.

Appendix 2: Membership of the Independent Remuneration Panel

Chair of the Panel

Rose Poulter (Chair)

Council Appointees

David Grainger

*Sajid Shaikh

Citizen Representatives

Sandra Cooper (Deputy Chair)

Veronica Docherty

*Jacqui Francis

Co-opted Members

Honorary Alderman Fergus Robinson

* *Members who have left the Panel during 2021/22*